

# Illinois Municipal Retirement Fund

## Meeting No: 19-05-A

### Audit Committee

The Audit Committee met at the IMRF office in Oak Brook, Illinois on Friday, May 17, 2019, at 8:00 A.M. Committee members Williams, Henry, Wallace, Stanish and Trustee's Kuehne and Thompson were present. IMRF staff members Nannini, Juhasz, Duquette, Adamski, Collins, Teague, Shah, Smith and Janicki-Clark were present. Also present was Bill Sarb, Joe Evan, Chris Kettering and Joe Cardona from RSM and Steve Gerschoffer from Crowe Horwath.

(19-05-01) Chairperson Stanish called the meeting to order at 8:00 AM.

#### (19-05-02) (Approval of Minutes)

Minutes from the November 14, 2018 Audit Committee Meeting were approved on a motion by Kuehne, seconded by Stanish. The motion carried unanimously.

#### (19-05-03) (Presentation - SOC1 Type 2 Report)

Brian introduced Elisa as the Audit Manager. Joe Evans introduced Mr. Chris Kettering with RSM to present the SOC1 Type 2 report as of December 31, 2018. RSM issued an Unqualified Opinion. The audit was a success. One exception was identified which IMRF staff and RSM worked through.

Stanish motion Wallace 2<sup>nd</sup>.

#### (19-05-04) (Presentation of Results of 2018 Financial Statement Audit)

Mr. Evans of RSM, presented information in connection with their work on the 2018 financial statements including a document that outlined RSM's responsibilities under generally accepted auditing standards. RSM issued an unqualified opinion on the 2018 financials. It was noted the fieldwork on the Financial Statements and the Census Attestation was complete. It was noted the Schedule of Changes in Fiduciary Net Position by Employer will be finalized the following week. RSM did not identify any issues. There were no major matters that were brought to the Committee's attention. There were no proposed audit adjustments or internal control findings.

It was noted the GASB 68 liability adjustment was not made. This was determined to be insignificant to the financial statements.

There was an increase from \$1.9 million to \$13.3 million in the Net Pension Liability. The Audit Committee expressed that it was warranted to be included. CFO Mark Nannini has plan to report the liability. Trustee Kuehne emphasized IMRF should follow GASB pronouncement regardless of materiality.

The GASB 75 standard was implemented and had a \$1.2 million impact on Financial Statements.

#### (19-05-05) (Report on the Completion of the 2018 Internal Audit Plan)

Staff member Juhasz reported on the completion of work on the 2018 internal audit plan including completing the 213 employer audits during 2018. It was noted that IMRF system controls are operating effectively and the 2018 audit on IMRF had no exceptions.

Based upon the internal audit work done, it was concluded that IMRF's internal controls were working effectively.

(19-05-06) (Acceptance of the Crowe Horwath Engagement Letter for 2019)

Mr. Gerschoffer presented 2019 engagement letter via telephone. The engagement fee is estimated to be slightly less than prior years.

Acceptance was approved on a motion by Kuehne, seconded by Wallace. The motion carried unanimously.

(19-05-07) (Review 2018 Comprehensive Annual Financial Report)

Acceptance was approved on a motion by Stanish, seconded by Wallace. The motion carried unanimously.

(19-05-08) (Review and Approve Revision to Employer Audit Procedures Resolution)

Reviewed resolution and what current practices are in employer audits.

Acceptance was approved on a motion by Stanish, seconded by Wallace. The motion carried unanimously.

(19-05-09) (Private Session with External Auditors)

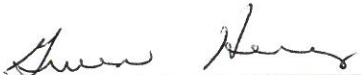

Yes private session was held.

(19-05-10) (Other Business)

No other business was conducted.

(19-05-11) (Adjournment)

A motion was made by Trustee Wallace, seconded by Trustee Truty to adjourn the meeting. The motion was unanimously approved at 8:43 a.m.

	
Chairperson	Clerk
Date	Date
11/22/19	11/22/19